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**STANDING COMMITTEE ON  
EXTERNAL AFFAIRS  
(1996-97)**

**ELEVENTH LOK SABHA**

**MINISTER OF EXTERNAL AFFAIRS**

**DEMANDS FOR GRANTS  
(1996-97)**

136

**FIRST REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

August, 1996/Shravana, 1918 (Saka)

3657R  
131

# FIRST REPORT

## STANDING COMMITTEE ON EXTERNAL AFFAIRS (1996-97)

(ELEVENTH LOK SABHA)

MINISTRY OF EXTERNAL AFFAIRS

DEMANDS FOR GRANTS (1996-97)

Presented to Lok Sabha on..... 1 SEP 1996  
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LOK SABHA SECRETARIAT  
NEW DELHI

August, 1996/Shravana, 1918 (Saka)

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CORRIGENDA TO FIRST REPORT OF STANDING  
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7	18	8	Mission	Missions
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COMPOSITION OF THE STANDING COMMITTEE  
ON EXTERNAL AFFAIRS  
(1996-97)

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Shri Atal Bihari Vajpayee

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(iv)

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SECRETARIAT

1. Dr. Ashok Kumar Pandey — *Additional Secretary*
2. Shri V.N. Gaur — *Director*
3. Shri Ashok Sarin — *Under Secretary*

## INTRODUCTION

I, the Chairman, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, do present this First Report on Demands for Grants of the Ministry of External Affairs for the year 1996-97.

2. The Standing Committee on External Affairs was constituted on 1st August, 1996. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The Report shall not suggest anything of the nature of cut motions.

3. The Committee (1996-97) took evidence of the representatives of the Ministry of External Affairs on 13th and 14th August, 1996. The Committee wish to express their thanks to the officers of the Ministry of External Affairs for placing before the Committee the material and information which they desired in connection with the examination of the Demands for Grants of 1996-97 of the Ministry and for giving evidence before the Committee.

4. The Committee (1996-97) considered and adopted the report at their sitting held on 22 August, 1996.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in consolidated form in Appendix-II of the Report.

NEW DELHI;  
22 August, 1996  
Shravana 31, 1918 (Saka)

ATAL BIHARI VAJPAYEE,  
Chairman,  
Standing Committee on External Affairs.

## REPORT

The Demands for Grants of the Ministry of External Affairs were laid on the Table of Lok Sabha on 31st July, 1996. The budgetary provision for the Ministry of External Affairs is entirely non-plan. Demand No. 23 of the Ministry contains the figures of Revenue as well as Capital expenditure which are as follows :

(In thousands of Rs.)

Revenue		Capital	Total
Charged	2,00	—	2,00
Voted	12,12,06,00	62,04,00	12,74,10,00

2. The details of the actual Revenue and Capital expenditure for the year 1994-95, Budget Estimates and Revised Estimates for 1995-96 and Budget Estimates for 1996-97 of the Ministry are as under :

(In thousands of Rs.)

Sl. No.	Major Head	Items	1994-95	1995-96		1996-97
			Actual Non-plan	BE	RE Non-plan	BE Non-plan
1	2	3	4	5	6	7
1.	2052	Secretariat charged General Services Voted		1,00	1,00	1,00
			52,94,36	57,99,00	63,52,00	68,38,00
2.	2061	External Affairs 00.101 Embassies and Missions	409,83,85	403,03,00	475,00,00	507,12,00
		Passport and Emigration	34,47,84	60,00,00	57,41,75	57,24,99
		Training	25,30	20,00	30,00	30,00
		Special Diplo- matic Expenditure				
		Charged		1,00	1,00	1,00
		Voted	175,26,54	180,89,00	251,99,00	199,99,00
		International Conferences/ Meetings	2,12,29	2,00,00	2,50,00	1,00,00
		Entertainment Charges	8,59,89	8,00,00	13,00,00	13,00,00
		International Cooperation	34,96,14	22,53,00	25,93,85	26,00,85

1	2	3	4	5	6	7
		Other Expenditure	56,90,68	31,47,00	44,22,40	45,56,16
		Total Major Head "2061"				
		Charged		1,00	1,00	1,00
		Voted	722,42,53	708,12,00	870,37,00	850,23,00
3.	2075	C. Miscellaneous	3,98,22	1,00	5,00,00	1,00
		General Services				
4.	3052	D. Shipping	—	1,00	52,00	1,00
5.	3053	E. Civil Aviation	8,16,64	1,00	26,00	1,00
6.	3605	F. Technical and Economic Cooperation with other countries	129,72,05	184,74,00	253,63,00	293,42,00
		Total : Revenue Section				
		Charged	—	2,00	2,00	2,00
		Voted	917,23,80	950,88,00	1193,30,00	1212,06,00
		<b>Capital Section</b>				
7.	4059	Capital outlay on public works	21,26,93	35,00,00	35,00,00	42,00,00
8.	4216	Capital outlay on Housing	16,58,36	12,00,00	12,00,00	15,00,00
9.	7453	Loan for foreign trade export promotion	—	1,00	—	—
10.	7605	Advances to foreign Governments	7,43	3,00	5,03,00	5,03,00
11.	7615	Miscellaneous loans	9,90	1,00	1,00	1,00
		Total : Capital Section	38,02,62	47,05,00	52,04,00	62,04,00
		Grand Total :				
		Charged		2,00	2,00	2,00
		Voted	955,26,42	997,93,00	1245,34,00	1274,10,00

## OVERVIEW

3. The BE 1996-97 of Rs. 1274.12 crs. is Rs. 276.17 crs. more than BE 1995-96 and Rs. 28.76 crs. more than the RE 1995-96. The break-up of BE 1996-97 is as under :

(Amount in Crores of Rupees)	
Revenue	1212.08
Capital	62.04
	1274.12

The Revenue allocation include Rs. 2.00 Lakhs as charged expenditure.

4. The expenditure on establishment represents 49.66% of the total budget of the Ministry. This is made up of expenditure on Missions/ Posts abroad (39.80%), Headquarters (5.37%) and Passport & Emigration (4.49%). The break-up on the rest of the expenditure is as follows :

Aid/Advance to Foreign Governments	23.03%
Special Diplomatic Expenditure	15.70%
Capital Outlay	4.87%
Other Activities (Grant-in-aid to various institutions including ICCR)	6.74%

### Expenditure on Headquarters

5. The estimated expenditure on the Headquarters Organisation of the Ministry during the current financial year (1996-97) is expected to be Rs. 68.39 crores which is 5.64% of the total estimated revenue expenditure of this Ministry. Out of this Rs. 15.10 crores will be on Salaries and Wages, Rs. 11.01 crores on Foreign Travel Expenses, Rs. 18.30 crores on Office Expenses, Rs. 11.00 crores on Publicity and Rs. 12.09 crores on Rent and Maintenance.

### Expenditure on Missions

6. The total estimated expenditure on Indian Embassies/Missions abroad is expected to be Rs. 507.12 crores during the current financial year which works out to 41.83% of the total estimated Revenue Expenditure of the Ministry. Out of this, an amount of Rs. 237.87 crores is for Salaries (including Foreign Allowance and representational grant),

Overtime allowance and Wages, Rs. 49.42 crores for Travel Expenses (Transfer Passages/Home Leave Passages and Local Tours), Rs. 103.62 crores for Office Expenses and Advertising and Publicity and Rs. 116.21 crores for Rent, Rates and Taxes as well as for Repairs and Maintenance of Government owned/rented accommodation in Missions abroad.

7. The Demands for Grants (1996-97) were discussed by the Committee with the representatives of the Ministry of External Affairs and the results of the discussions held are given head-wise in the succeeding paragraphs.

8. The overall increase of Rs. 247.71 crores in the RE 1995-96 over the BE 1995-96 is primarily due to certain major enhancements in the budgetary provisions for Headquarters, (Rs. 5.53 crores), Missions & Posts abroad (Rs. 71.97 crores), Entertainment Charges (Rs. 5.00 crores), Special Diplomatic Expenditure (Rs. 71.10 crores), Other Expenditure (Rs. 12.75 crores), Loss by exchange (Rs. 4.99 crores), Aid Programmes for Foreign Governments (Rs. 68.89 crores) and Loans to Foreign Governments (Rs. 5.00 crores).

#### Increase in RE 1995-96 over BE 1995-96

	(Rs. in crores)	
	BE 1995-96	RE 1995-96
Revenue Section	950.90	1193.32
Capital Section	47.05	52.04
Total	997.95	1245.36

9. The overall increase of Rs. 247.41 crores is primarily due to the following enhancements at RE stage :

(a) Headquarters budget	Rs. 5.53 crores
(b) Missions & Posts abroad	Rs. 71.97 crores
(c) Entertainment Charges	Rs. 5.00 crores
(d) Special Diplomatic Expenditure	Rs. 71.10 crores
(e) 'Minor head' Other Expenditure	Rs. 12.75 crores
(f) Loss by exchange	Rs. 4.99 crores
(g) Aid programmes for Foreign Governments	Rs. 68.89 crores
(h) Loans to Foreign Governments	Rs. 5.00 crores

10. It is seen from the above that the major increase at RE stage was in case of Missions and Posts abroad, special Diplomatic Expenditure and Aid Programmes for Foreign Governments. The enhancement in these cases alone adds up to Rs. 211.96 crores out of the total increase of Rs. 247.41 crores.

11. The Revised Estimates for 1995-96 works out to Rs. 1245.36 crores against the BE for 997.95 crores, thus reflecting an increase of Rs. 247.71 crores. The Committee have been concerned over the continuous trend of excess expenditure despite their oft repeated recommendation to contain the excess expenditure to the barest minimum and for which the Parliament is later presented with a fait accompli. What has surprised the Committee is the extent of the increase at RE 1995-96 level over BE 1995-96 which is nearly 25 per cent. Bulk of this increase has been in three spheres *i.e.* Missions and Posts abroad, Special diplomatic expenditure and aid programmes for foreign governments. Some excess expenditure, like that due to depreciation of rupee value, is of course unavoidable. However the entire excess of nearly 72 crores in case of Missions and Posts abroad, Rs. 71 crores in case of Special Diplomatic expenditure and nearly Rs. 69 crores increase in case of Aid Programmes for Foreign Governments were perhaps not such which could not have been anticipated. The Ministry have admitted during evidence that the general tendency is to keep the Budget as low as possible. The Committee are thus inclined to conclude that the Budget Estimates are not prepared after proper planning and that there is lack of effective mechanism to impart financial discipline which leads to huge increase at RE level. The Committee, therefore, can not but emphasise once again the need for more comprehensive and realistic planning at estimate stage so that the huge excess over voted Grants could be avoided. The Committee have been assured that efforts would be made by the Ministry to make the estimates as realistic as possible. The Committee hope that there would not be steep increase in demands for grants next year at RE stage.

12. It is evident from the Demands for Grants of the Ministry that there has been increase to the tune of Rs. 48 crores in Budget Estimates 1996-97 over RE 1995-96 for salaries of the staff whereas there has been decrease of 52 crores on Special Diplomatic Expenditure and 23 crores decrease in respect of Rents, Rates and Taxes. Further, there has been only marginal increase of Rs. 3.6 crores in the BE 1996-97 for advertising and publicity. No increase has been made in the grants for ICCR and Passport & Emigration. The Committee are of the view that there ought to be certain rational relationship between the expenditure incurred on the administration and on the activities which the Ministry is supposed

to perform. The Committee hope that the funds allotted to the ICCR, publicity and passport organisations are commensurate to level of activities expected from them and that their performance would not suffer due to lack of funds. The Committee further hope that Ministry of External Affairs would keep the above observation in view while framing the forthcoming Budgets.

#### Secretariat-General Service '2052'

BE 1995-96	58.00 crores
RE 1995-96	63.53 crores
BE 1996-97	68.39 crores

13. In the BE 1995-96, an increase of Rs. 7.53 crores had been proposed by the Ministry over BE 1994-95, principally because of a requirement to pay rental arrears amounting to Rs. 5.82 crores for Akbar Bhawan. The arrears of higher rent amounting to Rs. 5.82 crores have not been paid so far by the Ministry as the discussions with NDMC with regard to expenses in respect of major repairs/renovations which have become necessary are yet to be concluded. Accordingly, BE 1996-97 has provision of Rs 7.63 crores for payment of rental arrears of Akbar Bhawan.

14. According to the Ministry they have been continuously pursuing the matters relating to maintenance and repairs since March 1994 when the Administrator NDMC met Ministry officials. Some repairs have been undertaken, but since the work is undertaken by NDMC through their nodal agency CPWD and since these repairs are of complex nature, works have not yet been completed. Therefore, payment of rent arrears have been withheld so far. However, Ministry is in constant contact with NDMC for these works.

15. The Ministry have added that since there is substantial progress due to direct discussions with the Administrator NDMC, they will invoke the good offices of the Ministry of Urban Development if required, after watching progress at present.

16. The Committee find that the arrears of higher rent have not been paid so far by the Ministry of External Affairs as the repairs of Akbar Bhawan are yet to be completed. As the provisions made during last year in this regard could not be utilised, the same have again been made this year in the Budget Estimates. The Committee regret to observe the delay in getting the Akbar Bhawan repaired although discussions with the NDMC have been continuing since March 1994 when the Administrator NDMC met Ministry officials. What has surprised the

Committee is the fact that the issue has not been sorted out so far despite the matter having been discussed at length last year during the examination of Demands for Grants and commented upon by the Committee in their 6th Report. The Committee are apprehensive that the condition of the building might deteriorate if necessary repairs are not carried out immediately. The Committee desire that the matter may be taken up with the Ministry of Urban Development at higher level so as to get the building repaired immediately. The Committee also desire that an agreement should be reached between MEA and NDMC to ensure timely and regular repairs/maintenance of Akbar Bhawan premises and in no case repairs should be allowed to be left unattended for considerable period of time. The Ministry may examine the feasibility of purchasing Akbar Bhawan from NDMC. Repairs/Maintenance of buildings occupied by the Ministry on rent or otherwise should be a continuous process. The Ministry should also develop suitable supervisory mechanism to monitor general maintenance and repairs of their buildings.

#### Embassies and Missions

BE 1995-96	Rs. 403.03 crores
RE 1995-96	Rs 475.00 crores
BE 1996-97	Rs. 507.12 crores

17. The provision relates to expenditure on salaries, wages, travel expenses, publicity and rents, rates, taxes in respect of Indian Missions/ Posts abroad.

18. The total RE 1995-96 exceeds BE 1995-96 by 17.85%. According to the Ministry this is principally on account of hike of rental liability in some of our Missions/Posts abroad like Vladivostock, Abu Dhabi, Canberra, Kiev, Brunei etc. Hike is also due to depreciation which occurred during the year in the value of Indian Rupee *vis-a-vis* major foreign currencies, revision in allowances of India based and local staff as a result of the recommendations of Foreign Service Inspector and enhanced provision for publicity efforts by our Missions & Posts abroad to counter anti-India propaganda as also to project a holistic image of India. Furthermore, three major Summits were held during the year 1995-96 (NAM in Columbia, G-15 in Argentina and CHOGM in New-Zealand) which also contribute towards the increase.

19. During the year, there have been increases in Foreign Allowance in various Missions as well as increase in pay and allowances of local

staff. This increase has been approximately of the order of Rs. 36 crores.

20. The Annual Report of the Ministry for 1995-96 (p. 148) has pointed out that in order to assess the functioning of Indian Missions abroad, the Foreign Service Inspectors' team have inspected 12 Missions during 1995-96. A number of deficiencies in the working of Missions have been noticed in the inspection. It is pertinent to note in this regard that during the comprehensive review of the working of the 8 Missions inspected by the Foreign Service Inspectors during 1994-95 a number of shortcomings were also noticed.

21. The Ministry of External Affairs have intimated that the Foreign Service Inspectors carried out detailed review of the working of the Missions which included the staffing position, requirement of office equipment, furniture, property matters and the allowance structure.

Shortcomings noticed during the visits in 1995-96 are :

- (a) Some procedural lapses in the maintenance of the accounts were noticed and immediate instructions were given to avoid the same in future.
- (b) It was noticed that the upkeep and maintenance of Government-owned properties required further improvement. Necessary sanctions and instructions in this regard were given on the spot. The maintenance of records of inventory was not upto the desired standards causing considerable delay in maintenance and replacement. Appropriate sanctions in this regard were given on the spot to facilitate the Missions update their records as well as replace and maintain furniture as per requirement.
- (c) For upgrading office systems of the Missions inspected, necessary sanctions were given on the spot for purchase of computers, electronic typewriters, fax machines, photocopiers, office furniture etc.

22. The Ministry have admitted that shortcomings noticed in some Missions in 1994-95 were also noticed during inspection of the other Missions in 1995-96.

23. Shortcomings are stated to have been conveyed to concerned Divisions in the Ministry and appropriate circulars are being issued to all Missions/Posts for taking necessary action so as to avoid recurrence in future.

24. As regards the modernisation programme of the Missions. Foreign Secretary informed during evidence that they are trying to improve the effectiveness of the functioning of the Missions by using modern office equipment and other devices. More important Missions are being linked with Headquarters through modems and will have simultaneous communication from computer to computer.

25. The RE 1995-96 in respect of Embassies and Missions exceeded BE 1995-96 by nearly Rs. 72 crores. Out of this, Rs. 36 crores accounted for the increase in foreign allowances in Missions as well as pay and allowances of local staff as a result of recommendation of Foreign Service Inspectors. The Committee are of the view that as it would have taken considerable time to process these recommendations, the enhanced requirement of fund for increase in foreign allowance etc. could have been anticipated at the 1995-96 BE level. The Committee would like to be informed about usual procedure followed for increase of allowances of the staff to the Foreign Missions and how often these allowances are reviewed and revised.

26. The Committee are constrained to point out that inspection of 12 missions during 1995-96 by the Foreign Service Inspectors reveal certain shortcomings in their working which were also noticed during the inspection of some missions in 1994-95. The Committee are informed that shortcomings noticed are of procedural nature. Obviously, effective steps do not seem to have been taken to ensure that shortcomings noticed in one mission do not get repeated in others. The Committee take a serious view of the failure on the part of the Ministry to take the corrective action. The Committee expect the Ministry to issue the necessary directions and guidelines immediately so that these mistakes do not recur. They would also like the Ministry to periodically monitor the compliance of the instructions issued in this regard.

27. The Committee note with satisfaction that steps are being taken by the Ministry to improve the functioning of the Missions by using modern office equipment and communication system. They hope that constraint of funds will not be allowed to hamper the progress being made in this regard. The Committee hope that the installation of modern equipment would help Missions in better discharge of their functions.

28. It is pertinent to note that in reply to a recommendation made in their 6th report on Demands for Grants for the year 1995-96 the Ministry have informed the Committee that a comprehensive exercise to review the manpower requirements of the economic and commercial wings of our Missions/Posts abroad is currently underway in consultation with the Ministry of Commerce. Proposals concerning as many as 38 Missions/Posts are under active consideration and further suitable action would be taken in this regard. The Committee would like to be informed of the progress made in this direction. The Committee expect that with the strengthening of the economic and commercial wings it would be feasible for Missions to attract sizeable foreign investment from the overseas investors. For achieving this it is necessary to boost the commercial publicity, remove whatever constraints being experienced by the foreign investors, organise Seminars and Conferences especially in countries abroad with the cooperation of FICCI and CII and overcome administrative bottlenecks in coordination with other concerned Ministries.

#### Advertising and Publicity (Secretariat)

BE 1995-96	Rs. 6.65 crores
RE 1995-96	Rs. 11.00 crores
BE 1996-97	Rs 11.00 crores

#### Advertising and Publicity (Missions/Posts)

BE 1995-96	Rs 6.80 crores
RE 1995-96	Rs 8.07 crores
BE 1996-97	Rs 11.72 crores

29. The Ministry have informed that the enhanced allocation for Advertising and Publicity has resulted in a perceptible improvement in India's image abroad. Consequently, our economic and foreign policies and specific initiatives in these areas have been well-received. The policy of transparency on Kashmir and human rights issues and their forceful projection have served to counter hostile propoganda by Pakistan and others. The Committee have also been appraised about certain new steps taken by the Ministry in this connection that include opening of Ministry of External Affairs's Home Page on INTERNET, upgradation of communication system with missions and Posts abroad, use of modern publicity techniques and professional public relations, lobbying and advertising agencies, augmentation of channels of communications,

projection through Satellite television and involvement of non-governmental agencies.

30. In reply to a query, the Foreign Secretary informed during evidence that the Ministry constantly make an assessment to find out the effectiveness of the publicity efforts being carried out. The Ministry are of the view that they cannot effectively use more funding for publicity at the Headquarters level, but it is possible to use more funds at the Missions level, in particular for certain key Missions.

31. According to Ministry, while each mission can do with additional resources, this may be difficult to achieve due to resource constraints. Therefore, it may be more practical to begin by allocating additional funds to select Missions and to support the efforts of Indian Missions in priority areas such as India's neighbouring countries. South-East Asia and the Gulf region. Subsequently this effort could be expanded. It is further informed that some Missions have submitted proposals to step up their publicity activities which could give desired results if backed by adequate financial support.

32. The Committee have been given to understand that constant assessment by the Ministry of their publicity activities reveals that they cannot use more funds effectively at the Headquarters level whereas it is possible to use more funds fruitfully at the Missions level. Yet, there is no perceptible increase of funds for advertising and publicity for Missions/Posts (Rs. 11.73 crores) as compared to that for headquarters (Rs. 11 crores) in the BE 1996-97. Some steps are stated to have been initiated to expand, interpret and project India's Foreign Policy objectives. However, still much more needs to be done to project a favourable perception of India and build up a greater awareness of and an understanding for its values and policies, and also to counter adverse propaganda being carried out by one of our immediate neighbours. For this, acquisition and use of most modern equipment, upgradation of communication system, stepping up of our lobbying efforts, production of more effective publicity material and distribution thereof by Missions/Posts to NRIs, NGOs, opinion maker and decision-takers are essential and efforts being made in this direction need to be augmented. The Committee also feel that closer and more purposeful interaction by our Foreign Missions with NRIs in this regard would go a long way to achieve the objectives. Needless to say that these measures require sufficient funds, especially for Missions, and Ministry ought to strive to achieve the same.

33. The Committee agree with the Ministry that it would be more practical and feasible to begin by allotting additional funds to selected

**Missions and to expand this effort subsequently in respect of more Missions. The Committee find that some of the Missions have submitted proposals for stepping up their public relations, advertising and other publicity activities. The Committee would like the Ministry to scrutinise such proposals with a view to providing the requisite funds and study the impact made by them in due course.**

### **Major Head "2061"—External Affairs**

#### **Passport and Emigration :**

BE 1995-96	Rs. 60.00 crores
RE 1995-96	Rs. 57.42 crores
BE 1996-97	Rs. 57.25 crores

34. According to the Ministry the total pendency in Passport Offices was 2.8 lakhs at the end of the year 1994 and number of applications pending at the end of 30th June, 1996 has been 2.94 lakhs. The Ministry has stated that, much of the pendency is due to submission of incomplete applications, delayed response by the applicants to meet deficiencies and receipt of incomplete/vague police verification reports. Delay is also caused by fake/forged documents supporting the applications which have to be verified from the State Governments.

35. The Annual Report of Ministry of External Affairs for 1995-96 also shows that in the year 1995, 17.55 lakh passports were issued as compared to 20.11 lakh passports in 1994, even though there was only marginal decrease in the number of fresh applications received during 1995. According to the Ministry, the issue of over 27 lakh fresh passports in the year 1993 and 20.11 lakh fresh passports in the year 1994 was to reduce the pendency of about 1.2 million which had built up by mid 1992. The increase in issue of passports over receipt of applications in the year 1993 and 1994 was an effort to reduce the pendency. From the year 1995, the issue of passports has been reduced due to reduction in the overall pendency.

36. It is further informed by the Ministry that passport work is a thrust area for them where certain innovations have been brought about. The Government have also taken several steps to bring down pendency by streamlining the working of Passport Offices through computerisation, augmentation of staff strength, upgradation of office facilities, review of systems and procedures and regular surprise inspections of Passport Offices and follow-up action. The Committee was further informed during evidence that regarding renewal of passports, instructions have been

issued that any passport-holder applying for its renewal may be given a new passport without any verification and delay.

37. There is, also, an ongoing exercise to identify bottlenecks and to streamline existing procedures so as to ensure expeditious issue of passports and reduction of pendency. A cadre review of the Central Passport Organisation has also been carried out which is currently under consideration by the Ministry of Finance.

38. In reply to a question about the alleged corruption in Passport Offices, the Foreign Secretary stated that they are trying to strengthen the inspecting system from within the Ministry. There are instructions that any Ministry Officer who is on tour within the country should, as a matter of routine, make a surprise visit to the RPO to see for himself and to report back.

39. The Committee in their 7th Report on Passport Facilities had recommended that till the work regarding opening/relocation of Passport Offices based on the reassessed demand is completed, the Ministry should take immediate steps to ensure that all State Capitals have either a Passport Office or a Sub-Passport Office to facilitate the applicants in getting their passports easily and within minimum possible time. The Ministry responded to this recommendation by saying that immediate steps would be taken to ensure that all State Capitals have a Passport Office or a Sub-Passport Office. All States with the exception of Himachal Pradesh, Arunachal Pradesh, Manipur, Mizoram, Meghalaya, Manipur have Passport Offices. Himachal Pradesh has a liaison office in Simla and the States of Meghalaya, Mizoram, Manipur, Arunachal Pradesh and Nagaland are under the jurisdiction of RPO Guwahati. Tripura State is under the jurisdiction of RPO Calcutta. Separate Passport Offices have not been opened in these States in view of the small number of applications emanating from them.

40. As regard opening of new Passport Offices the representative of MEA stated during evidence :

“Sir we have a rough guideline about how many applications should be there from an area before actually an office should be there. But certainly collection centres could be there without any problem and it could be examined. For instance we have collection centre in Amritsar, in Simla.”

**41. The Committee note that the total pendency in Passport Offices which was 2.8 lakh at the end of 1994 has increased to 2.94 lakh at the end of 30th June, 1996. However the number of Passports issued during**

1995 has decreased to 17.55 lakh as compared to 20.11 lakh passports issued in 1994. Thus, as compared to 1994 figures less number of passports were issued while more applications have been pending during 1995. The Ministry have advanced various reasons due to which it is difficult to reduce the pendency further. The Committee however do not agree with the explanation given by the Ministry. They are of the view that the maximum time limit for issue of a passport as per the Ministry is 4 weeks and therefore the pendency at a time in the Passport Office should not increase the total average applications received in 4 weeks time. To achieve this, the Passport Organisation ought to have close coordination with Ministry of Home Affairs for getting early verification reports, simpler passport application forms so as to reduce the number of incomplete applications and accountability of the passport officers in the Passport Offices.

42. From time to time suggestions have come to the Committee for opening of more passport offices in the country especially in the North Eastern Sector. The Committee desire that till the work relating to opening/relocation of Passport Offices based on the re-assessed demands is completed as recommended by the Committee in their 3rd and 7th Reports, the Ministry should ensure that all State Capitals have either a Passport Office or a Sub-passport Office or collection centre for the benefit of the applicants. In this connection the representative of the Ministry assured that collection centres can be opened in North Eastern Region in the State Capitals. The Committee desire that expeditious action may be taken in this regard under intimation to them.

43. The Committee find that Revenue to the tune of Rs. 71.75 crores was earned by the Passport Offices during 1995 whereas the expenditure incurred amounted to Rs. 47.46 crores. Although the Revenue earned by the Passport Office go directly to the Consolidated Fund of India, the Ministry ought to ensure larger allocation for passport and emigration service taking into consideration the amount of Revenue being earned by the Passport Offices so as to utilise the same for augmenting and improving the passport facilities *i.e.* by opening new offices, improvement in customer amenities, better facilities to the staff etc.

44. The Committee have been given to understand that the Cadre Review of the Central Passport Organisation has been carried out which is being considered by the Ministry of Finance. This is stated to be the first ever Cadre Review of the Organisation and it aims at rationalising the cadre structure to motivate the staff into maximising the output by providing them better opportunities for career advancement and having

a more streamlined administrative structure. The Committee hope that a decision regarding this Cadre Review will be taken early so that the dissatisfaction prevailing in the staff particularly at lower level would be removed.

45. The Committee expect that with the computerisation of Passport Offices, more funds to the organisation for augmenting their facilities, increased incentives to the staff like the promotion prospects etc. it should be possible to increase efficiency of Passport Office in such a way that passports are delivered to the applicants positively within 4 weeks. Also, there should be no harassment to the applicants at the passport office and their grievances, if any, including that of miscellaneous services should be promptly addressed to. It is also necessary that the mechanism of surprise inspections at the Passport Offices is strengthened and prompt punitive action is taken in cases of negligence of duty leading to delay, harassment and corruption.

#### Minor Head : Other Expenditure

##### Grants to Institutions

##### Grant-in-aid to Indian Council for Cultural Relations (ICCR)

BE 1995-96	Rs. 20.00 crores
RE 1995-96	Rs. 25.00 crores
BE 1996-97	Rs. 25.00 crores

46. According to the Ministry the enhancement at RE stage was as agreed upon by the then Finance Minister on a request from the President, ICCR and reflects the enhancement in academic fees and house rent in respect of foreign student. It may be recalled that a decision was taken at the All India level that Universities would hike their academic fees substantially.

47. The Council could not utilise the full amount of Rs. 5 crores sanctioned in the RE for 1995-96 for payment of enhanced Tuition Fee and Registration Fees to the Universities and enhanced stipend and House Rent Allowance to the Scholars because the funds were received only in February, 1996, almost at the close of the financial year. In the meanwhile the Council had requested the concerned Universities to defer the increase in Tuition and Registration Fees for one year and most of the Universities had accepted the proposal.

48. The Council was able to partially implement the payment of the enhanced stipend and House Rent Allowance to the Scholars with back dated effect from July, 1995. Rs. 52 crores was spent for this purpose.

49. The Council re-appropriated Rs. 3 crores for expenditure incurred on its other programmes, including the Days of Russian Culture in India.

50. In 1996-97, the Council anticipates that it will spend Rs. 3.5 crores of the additional Rs. 5 crores on its scholarship schemes since the enhanced Tuition and Registration Fees are now in effect. The remaining Rs. 1.5 crores will be utilised in other activities of the Council including the Days of Indian Culture in Russia, and the Manifestation of India in Bangladesh.

51. The Committee have been impressing upon Ministry of External Affairs the need for stepping up the allocation for ICCR so that the Council is better equipped to improve its functioning with a view to projecting India in its true perspective abroad. In this connection it is pertinent to note that the increase in the allocation to the ICCR in RE 1995-96 as well as BE 1996-97 is principally on account of increase in grant-in-aid by Rs. 5 crores to cater to enhanced tuition fees and house rent to Scholars. That means that the marginal increase that has been made is not for enhanced activities of ICCR. In its 9th Report the Committee had urged upon the ICCR to act as one of India's premier institutions for fostering cultural exchanges and mutual understanding with the countries of the world. Need was also emphasised to project the image of India's rich and varied culture not only to better the environment of relationship between India and various countries but also to defeat concerted attempts by unfriendly quarters at image distortion. In the light of such suggestions, the Committee hardly need to re-emphasise the significance attached to various activities of ICCR. For better projection of India's image it is also necessary that a fair, attractive and equitable scheme about remuneration for artists at various levels and of different categories is imaginatively devised so as to avoid needless discontent and the ICCR should in spirit recognise that they are indeed the cultural representatives of India and project the best of the Indian art and culture to foreign audiences. The Committee, therefore, desire that the allocation to ICCR should be stepped up considerably so that it is in a position to achieve its desired objectives. Till that is done the ICCR should endeavour to make optimum use of the allocation in upgrading the quality of facilities, in order to fostering better understanding and strengthening our cultural relations with other countries.

**Major Head "3605"**  
**Technical and Economic Cooperation**  
**with other countries**

BE 1995-96	Rs. 184.74 crores
RE 1995-96	Rs. 253.63 crores
BE 1996-97	Rs. 293.42 crores

52. The expenditure under this Head is utilised for granting aid to Bangladesh, Bhutan, Nepal, Sri Lanka, Maldives, African countries etc. and is detailed as under :

	BE 1995-96	RE 1995-96	BE 1996-97
Aid to Bhutan	Rs. 100 crs.	Rs. 140 crs.	Rs. 140 crs.
Aid to Nepal	Rs. 20 crs.	Rs. 25.00 crs.	Rs. 50.00 crs.
Aid to Sri Lanka	Rs. 6.27 crs.	Rs. 11.20 crs.	Rs. 5.50 crs.
Aid to Maldives	Rs. 12 crs.	Rs. 12.00 crs.	Rs. 16.00 crs.
Aid to Myanmar	Rs. 0 crs.	Rs. 11.36 crs.	Rs. 25.00 crs.
Aid under Disaster Relief	Rs. 5 crs.	Rs. 10.00 crs.	Rs. 10.00 crs.
ITEC	Rs. 15 crs.	Rs. 17.00 crs.	Rs. 20.00 crs.
Aid to African countries	Rs. 14.55 crs.	Rs. 16.37 crs.	Rs. 16.52 crs.

53. The substantial increase under the Aid Programme is due to the fact that the various India-aided projects in these countries are at various stages of implementation and any shortfall in the allocation would adversely affect their progress.

54. The increase of Rs. 68.89 crores at RE 1995-96 level over BE 1995-96 level under the aid programme would mainly accounted for the following :

- (i) The increase of Rs. 40 crores under "Aid to Bhutan" is on account of an agreement signed on 24.9.95 between Kurichu Project Authority (KPA) and National Hydel Power Corporation (NHCP) for execution of the Hydel Project. This was a post BE 1995-96 development.

(ii) The increase of Rs. 11.36 crores under "Aid to Myanmar" is for the proposed construction of border roads (Tamu-Kalemyo) in Myanmar.

(iii) The increase of Rs. 5 crs. for "Aid to Nepal" was on account of payment to Ministry of Defence for modernisation of the Royal Nepal Army in which the expenditure on actual supplies overshoot the budget allocations under BE 1995-96.

(iv) The increase of about Rs. 5.00 crores under the head "Aid to Sri Lanka" is due to training of Sri Lankan Air Force Pilots. The requirement was unanticipated and followed high level requests received after BE 1995-96.

55. There is an increase of Rs. 39.79 crores in BE 1996-97 over RE 1995-96 which is mainly due to the increase under :

Aid to Nepal	Rs. 25 crores
Aid to Maldives	Rs. 4 crores
Aid to Myanmar	Rs. 13 crores

56. Rs. 25 crores for Nepal caters to the medical college and hospital at Dharan, construction of 22 Bridges on East-West Highway and modernisation of Royal Nepal Army. Additionality for Maldives caters to the expenditure on Indira Gandhi Memorial Hospital deputationists and maintenance of IGMH by NBCC. Under Aid to Myanmar, the additionality is due to proposed upgradation of Indo-Myanmar border Roads.

57. The Committee note the grants-in-aid for technical and economic cooperation with other countries have increased rather steeply from Rs. 129.72 crores in 1994-95 to Rs. 293.42 crores at BE 1996-97 level. The Committee would like to be appraised of the criteria adopted in distributing the total amount under the aid programme to different countries of Asia, Africa, neighbouring countries etc. Since substantial amount is being spent as aid programme on the various India aided projects in countries like Bangladesh, Bhutan, Nepal, Sri Lanka, Maldives, Combodia Myanmar etc., it would be necessary if an evaluation is made as to the impact it is creating in strengthening mutual bilateral relations with these countries. It would also be pertinent to study the positions taken by these countries on important issues of common interest at various international forums vis-a-vis stands taken by India. The Committee would like to be informed of the results of such a study. The Committee are of the view that selection of projects should have sharp focus on the impact it would have on the strengthening of the bilateral relations with these countries.

58. The Committee are constrained to point out that there was increase of Rs. 69 crores under the aid programmes at RE 1995-96 level over BE 1995-96 level which amounts to nearly 37 percent. The extent of this increase indicate that these projects are not adequately pre-planned and taken up on ad-hoc considerations. In the absence of proper and prior planning it is obvious that only token amount is released at BE stage and then there is sudden rush for increase at RE stage. The Committee feel that there ought to be horizontal as well as vertical coordination within the Government itself as to what has to be done in a particular country and which project is to be taken up. The Committee feel that all the projects to be carried out in aided countries should be well planned and should be completed under a time bound programme to avoid time and cost escalation. Proper monitoring is necessary for overseeing the execution of these projects. The Committee hope that these facts would be given due consideration while undertaking and executing such projects in aided countries.

#### Major Head "4059 & 4216"—Capital Section

##### Construction/Purchase of Properties

	BE 1995-96	RE 1995-96	BE 1996-97
Public Works	Rs. 35 crores	Rs. 35 crores	Rs. 42 crs.
(For Office Buildings)			
Housing	Rs. 12 crores	Rs. 12 crores	Rs. 15 crs.
Projects			
<b>Total</b>	<b>Rs. 47 crores</b>	<b>Rs. 47 crores</b>	<b>Rs. 57 crs.</b>

59. According to the Ministry, funds are allocated under this head for expenditure on acquisition/construction of properties as also major repair of Government of India owned buildings for office and residential purpose.

60. The MEA in reply to a recommendation of the Standing Committee in the 6th Report had stated that they have drawn up a comprehensive plan for purchase/construction of properties which was proposed to be implemented over a 10 year period beginning with the financial year 1995-96. However in the absence of requisite substantial increase in the budgetary outlay, the MEA was not in a position to implement the plan.

61. The MEA have stated that for this purpose the Department of Expenditure have further agreed to increase capital outlay budget of the Ministry from Rs. 57 crores under BE 1996-97 to Rs 100 crores at RE 1996-97 stage. The MEA proposes to utilise the sanctioned amount with a phased implementation of their 10 year plan by making suitable adjustments and projecting additional requirement of funds in subsequent financial years, thus enabling the Ministry to begin implementation of the plan. It was also informed that the purchase/construction proposals have been prioritised suitably for appropriate utilisation of sanctioned funds.

62. In regard to the purchase proposals, the Committee have been further informed that the Ministry has drawn up a list of those Missions where its rental liabilities are the highest. Out of these, immediate priority will be given to concrete proposals received by MEA and in places where properties are available for purchase. Missions falling under this category are Rome, Tel Aviv, Bangkok, Prague, Johannesburg, Osaka, Birmingham, Wellington and Brussels. The Ministry have stated that with regard to construction projects, priority will be given to those which have reached their final stages of planning, where necessary approvals have been obtained and projects are ready for construction. Thus, the list of priorities include the Mauritius Cultural Centre project, the Abu Dhabi Chancery project, the Foreign Service Institute project and the Pappankalan Housing project.

63. With regard to planning other projects, the MEA have informed that priority will be given to neighbouring countries namely Islamabad, Kathmandu, Dhaka and Beijing. Another prioritised project is at Berlin where a payment of DM 5.88 million is due to be paid by September 1, 1996 for a prime plot of land to construct the Indian Chancery Complex.

64. In reply to a query about the total requirement of funds for implementing projects included in the perspective 10 year plan, the representative of the Ministry of External Affairs informed the Committee that the total requirement of funds over the next 4 years is expected to be over 1000 crores. The estimate for the next 4 years is Rs 208 crores, Rs. 273 crores, Rs 270 crores and Rs 299 crores amounting to a total of over 1050 crores.

**65. The Committee note that the Department of Expenditure have agreed to increase capital outlay Budget of the Ministry from 57 crores under BE 1996-97 to Rs. 100 crores at the RE stage. This will enable the Ministry to begin the 10 year comprehensive plan drawn up by them for purchase/construction of properties. The Committee also note that the Ministry have estimated the demand for funds for the next 4 years in this regard to the tune of Rs. 1050 crores. The Ministry is stated to**

have identified the priorities for purchase and construction of our own properties abroad. The Committee do hope that the funds asked for by the Ministry would be provided for by the Ministry of Finance in the next few years so that the comprehensive plan drawn up by the Ministry is completed according to a time bound programme. The Committee also feel that priorities laid down by the Ministry in this regard would be strictly followed and available funds utilised judiciously as planned.

### **Comprehensive Test Ban Treaty (CTBT)**

66. According to the Ministry, a consensus resolution adopted in the United Nations General Assembly in September, 1993 urged the international community to conclude a CTBT. As per draft comprehensive Test Ban Treaty, the basic obligations under this treaty reiterates that each State Party undertakes not to carry out any nuclear weapon test explosion or any other nuclear explosion and to prohibit and prevent any such nuclear explosion at any place under its jurisdiction or control. It further states that each State Party undertakes further more to refrain from causing, encouraging or in any way participating in the carrying out of any nuclear weapon test explosion or any other nuclear explosion. The Conference on Disarmament (CD) in Geneva in January, 1994 adopted a negotiating mandate on CTBT. Since then, CD has been negotiating a draft CTBT.

67. The Committee were informed that India, a firm believer in global nuclear disarmament in a comprehensive and non-discriminatory manner, has played a leading role in bringing the issue of CTBT on the international agenda. India has visualised CTBT as part of a step-by-step process of global nuclear disarmament, by not merely ending test explosions but also ending qualitative development and refinement of nuclear weapons, whether through explosive or other means.

68. While discussing draft text of the CTBT during the evidence, the Foreign Secretary informed the Committee that basically India has raised objections on clause 1 and 2 of Article XIV of the draft text produced by the Chairman of the Ad hoc Committee which are as follows :

Clause 1 : The Treaty shall enter into force 180 days after the date of deposit of the instrument of ratification by all the 44 States listed in Annex 2 to this Treaty, but in no case earlier than two years after its opening for signature List of States in Annex 2 of the Treaty includes India. According to the Foreign Secretary, India has raised objection on including her name in the list of States who will ratify the Treaty despite her refusal to sign the Treaty in its present form. It is being viewed by India as an unacceptable obligation being imposed upon her.

**Clause 2 :** If this Treaty has not entered into force three years after the date of the anniversary of its opening for signature, the Depository shall convene a Conference of the States that have already deposited their instruments of ratification on the request of a majority of those States.

That Conference shall examine the extent to which the requirement set out in Paragraph 1 has been met and shall consider and decide by consensus. What measures consistent with international law may be undertaken to accelerate the ratification process in order to facilitate the early entry into force of this Treaty.

69. The Foreign Secretary informed that the depository in this case is the Secretary-General of United Nations Organisation. He further stated that India considers this clause a coercive provision since India, one of the required signatories, has not shown the inclination to sign the Treaty and as per the clause, after 3 years the Conference would decide on 'measures' consistent with international law to facilitate the early entry into force of CTBT.

70. The Committee were also informed that the Indian Government has been constantly appraising the international community about its consistent and principled stand on CTBT at various international fora as well as in dialogue with other countries, for instance, at the NAM summit held in Cartagena in 1995 and at the special Commemorative Session of the UN General Assembly in 1995. During evidence, the Foreign Secretary stated that Indian envoys have been bringing at regular intervals concerned government officials in the countries of their accreditation. The MEA has been regularly briefing representatives of Foreign Missions resident in India about India's position on CTBT.

71. With regard to the differences of opinion between India and other Nuclear Power on signing the CTBT in its current form as well as the US and the Russian Federation urging India to sign CTBT, the Ministry stated that there are no pressures generated on India and that the Indian stand does not affect its mutually advantageous bilateral relationships. Moreover, India's refusal to endorse the draft CTBT text in Geneva is not violative of any existing international laws which could trigger sanctions against India. According to reports from Geneva, talk on CTBT reached the impasse on Wednesday the 14.8.1996 when India vetoed the draft text in the present form. In blocking the passage of CTBT, India have shown a rare diplomatic self assurance.

72. In the difficult situation arising because of the unseemly haste of the nuclear powers to get the CTBT passed in its present form, completely ignoring the concerns and view point of India, there was no alternative left for India but to veto the CTBT. The recent action taken by India at Geneva reflects the national concensus on the issue. The Committee desire that India must continue to adhere to its principled and articulated stand on CTBT without being swayed by any international pressure and every effort should be made to counter the misinformation/disinformation being spread about our stand on nuclear disarmament. To achieve this, the Committee desire that the Ministry must make all efforts to explain our view point within the country and abroad.

NEW DELHI;  
22 August, 1996  

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Shravana 31, 1918 (Saka)

ATAL BIHARI VAJPAYEE,  
Chairman,  
Standing Committee on External Affairs.

## APPENDIX I

### MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON 13 AUGUST, 1996

The Committee sat from 1100 hrs. to 1330 hrs.

#### PRESENT

Shri Atal Bihari Vajpayee — *Chairman*

#### MEMBERS

*Lok Sabha*

2. Shri Manabendra Shah
3. Col. Rao Ram Singh
4. Dr. Ramesh Chand Tomar
5. Shri D.B. Roy
6. Shri Vijay A. Mude
7. Shri Faggan Singh Kulaste
8. Shri A.C. Jose
9. Begum Noorbano
10. Shri Anchal Das
11. Shri Anil Kumar Yadav
12. Shri Rupchand Pal
13. Shri S. Ajaya Kumar
14. Shri Rajesh Ranjan
15. Shri P.N. Siva
16. Shri George Fernandes
17. Shri Pramotes Mukherjee
18. Shri G.G. Swell
19. Shri Arvind Kumar

*Rajya Sabha*

20. Smt. Margaret Alva
21. Smt. Vyjayantimala Bali
22. Shri V.N. Gadgil
23. Shri Bhuvnesh Chaturvedi
24. Shri Sikander Bakht
25. Shri Triloki Nath Chaturvedi
26. Prof. Vijay Kumar Malhotra
27. Smt. Kamla Sinha
28. Shri M.A. Baby

*Secretariat*

- |                     |   |                           |
|---------------------|---|---------------------------|
| 1. Shri V.N. Gaur   | — | <i>Director</i>           |
| 2. Shri Ashok Sarin | — | <i>Under Secretary</i>    |
| 3. Shri R.K. Saxena | — | <i>Assistant Director</i> |

*Witnesses*

- |                         |                                |
|-------------------------|--------------------------------|
| 1. Shri Salman Haidar   | Foreign Secretary              |
| 2. Shri V.K. Grover     | Secretary (West)               |
| 3. Shri K. Raghunath    | Secretary (East)               |
| 4. Shri A.N. Ram        | Secretary (ER)                 |
| 5. Shri Kamalesh Sharma | Additional Secretary (IO)      |
| 6. Shri R.S. Kalha      | Additional Secretary (AD & PV) |
| 7. Shri P. Shankar      | Additional Secretary (FA)      |
| 8. Shri N. Ravi         | Joint Secretary (N)            |
| 9. Shri Ranjan Mathai   | Joint Secretary (BSM)          |
| 10. Shri B. Jaishankar  | Joint Secretary (ESTT.)        |
| 11. Shri C.M. Bhandari  | Joint Secretary (COORD)        |
| 12. Shri K.C. Singh     | Joint Secretary (CPV)          |
| 13. Shri B. Shetty      | Joint Secretary (TC)           |
| 14. Shri Rakesh Sood    | Joint Secretary (DISA)         |
| 15. Shri R.M. Roy       | Joint Secretary (Projects)     |

At the outset, the Chairman welcomed the members of the Committee and representatives of the Ministry of External Affairs to the first sitting of the Committee on External Affairs (1996-97).

2. The Committee then discussed with the representatives of the Ministry of External Affairs the various points arising out of the Demands for Grants (1996-97) of the Ministry. A verbatim record of the proceedings has been kept.

3. As the discussion was not concluded, the Committee decided to meet again on 14th August, 1996 at 1100 hrs.

*The Committee then adjourned.*

MINUTES OF THE SITTING OF THE STANDING  
COMMITTEE ON EXTERNAL AFFAIRS HELD  
ON 14 AUGUST, 1996

The Committee sat from 1100 hrs. to 1315 hrs.

PRESENT

Shri Atal Bihari Vajpayee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Manabendra Shah
3. Col. Rao Ram Singh
4. Dr. Ramesh Chand Tomar
5. Shri D.B. Roy
6. Shri Vijay A. Mude
7. Shri Faggan Singh Kulaste
8. Shri A.C. Jose
9. Begum Noorbano
10. Shri Anchal Das
11. Shri Anil Kumar Yadav
12. Shri P.N. Siva
13. Shri George Fernandes
14. Shri Pramotes Mukherjee
15. Shri G.G. Swell
16. Shri Arvind Kumar

*Rajya Sabha*

17. Smt. Margaret Alva
18. Smt. Vyjayantimala Bali
19. Shri V.N. Gadgil
20. Shri Bhuvnesh Chaturvedi
21. Shri Sikander Bakht
22. Shri Triloki Nath Chaturvedi
23. Prof. Vijay Kumar Malhotra
24. Smt. Kamla Sinha

*Secretariat*

1. Shri Ashok Sarin — *Under Secretary*
2. Shri R.K. Saxena — *Assistant Director*

*Witnesses*

- |                         |                                |
|-------------------------|--------------------------------|
| 1. Shri Salman Haidar   | Foreign Secretary              |
| 2. Shri V.K. Grover     | Secretary (West)               |
| 3. Shri K. Raghunath    | Secretary (East)               |
| 4. Shri A.N. Ram        | Secretary (ER)                 |
| 5. Shri Kamalesh Sharma | Additional Secretary (IO)      |
| 6. Shri R.S. Kalha      | Additional Secretary (AD & PV) |
| 7. Shri P. Shankar      | Additional Secretary (FA)      |
| 8. Shri N. Ravi         | Joint Secretary (N)            |
| 9. Shri Rajan Mathai    | Joint Secretary (BSM)          |
| 10. Shri B. Jaishankar  | Joint Secretary (ESTT.)        |
| 11. Shri C.M. Bhandari  | Joint Secretary (COORD)        |
| 12. Shri K.C. Singh     | Joint Secretary (CPV)          |
| 13. Shri B. Shetty      | Joint Secretary (TC)           |
| 14. Shri Rakesh Sood    | Joint Secretary (DISA)         |
| 15. Shri R.M. Roy       | Joint Secretary (Projects)     |

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Thereafter, the Committee resumed further discussion on the point arising out of Demands for Grants (1996-97) of the Ministry of External Affairs.

The Foreign Secretary also apprised the Members of the Committee about India's stand on CTBT, India's Nuclear Options, China's recent Nuclear Test etc.

A verbatim record of the proceedings has been kept.

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*The Committee then adjourned.*

MINUTES OF THE SITTING OF THE STANDING  
COMMITTEE ON EXTERNAL AFFAIRS HELD  
ON 22 AUGUST, 1996

The Committee sat from 1500 hrs. to 1630 hrs.

PRESENT

Shri Atal Bihari Vajpayee— *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Manabendra Shah
3. Col. Rao Ram Singh
4. Dr. Ramesh Chand Tomar
5. Dr. Gunawant Sarode
6. Shri Faggan Singh Kulaste
7. Shri Bijoy K. Handique
8. Shri Pinaki Misra
9. Shri Anchal Das
10. Shri Rupchand Pal
11. Shri S. Ajaya Kumar
12. Shri Hindurao Naik Nimbalkar
13. Shri George Fernandes
14. Shri G.G. Swell
15. Shri Arvind Kumar

*Rajya Sabha*

16. Smt. Margaret Alva
17. Smt. Chandresh Kumari
18. Smt. Vyjayantimala Bali
19. Shri V.N. Gadgil
20. Shri Bhuvnesh Chaturvedi
21. Shri Triloki Nath Chaturvedi

22. Prof. Vijay Kumar Malhotra
23. Smt. Kamla Sinha
24. Dr. D. Masthan

SECRETARIAT

1. Shri Ashok Sarin — *Under Secretary*
2. Shri R.K. Saxena — *Assistant Director*

At the outset the Chairman welcomed the members to the sitting of the Committee. The Committee then considered the draft Report on Demands for Grants of the Ministry of External Affairs for 1996-97.

The Chairman invited Members to offer their comments on the draft Report. The members suggested certain modifications/amendments and desired that those be suitably incorporated into the body of the Report.

The draft Report was then adopted. The Committee then authorised the Chairman to finalise the Report for presentation to the House.

*The Committee then adjourned.*

APPENDIX II

*Statement of Observations and Recommendations*

Sl. No.	Para No.	Ministry	Observations/Recommendations
1	2	3	4
1.	11	External Affairs	<p>The Revised Estimates for 1995-96 works out to Rs. 1245.36 crores against the BE for Rs. 997.95 crores, thus reflecting an increase of Rs. 247.71 crores. The Committee have been concerned over the continuous trend of excess expenditure despite their oft-repeated recommendation to contain the excess expenditure to the barest minimum and for which the Parliament is later presented with a <i>fait accompli</i>. What has surprised the Committee is the extent of the increase at RE 1995-96 level over BE 1995-96 which is nearly 25 percent. Bulk of this increase has been in three spheres <i>i.e.</i> Missions and Posts abroad, special diplomatic expenditure and aid programmes for foreign Governments. Some excess expenditure, like that due to depreciation of rupee value, is of course unavoidable. However the entire excess of nearly 72 crores in case of Missions and Posts abroad, Rs 71 crores in case of Special Diplomatic expenditure and nearly Rs. 69 crores increase in case of Aid Programmes for Foreign Governments were perhaps not such which could not have been anticipated. The Ministry have admitted during evidence that the general tendency is to keep the Budget as low as possible. The Committee are thus inclined to conclude that the Budget Estimates are not prepared after proper planning and that</p>

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			<p>there is lack of effective mechanism to impart financial discipline which leads to huge increase at RE level. The Committee, therefore, can not but emphasise once again the need for more comprehensive and realistic planning at estimate stage so that the huge excess over voted Grants could be avoided. The Committee have been assured that efforts would be made by the Ministry to make the estimates as realistic as possible. The Committee hope that there would not be steep increase in Demands for Grants next year at RE stage.</p>
2.	12	External Affairs	<p>It is evident from the Demands for Grants of the Ministry that there has been increase to the tune of Rs. 48 crores in Budget Estimates 1996-97 over RE 1995-96 for salaries of the staff whereas there has been decrease of 52 crores on Special Diplomatic Expenditure and 23 crores decrease in respect of Rents, Rates and Taxes. Further, there has been only marginal increase of Rs. 3.6 crores in the BE 1996-97 for advertising and publicity. No increase has been made in the grants for ICCR and Passport &amp; Emigration. The Committee are of the view that there ought to be certain rational relationship between the expenditure incurred on the administration and on the activities which the Ministry is supposed to perform. The Committee hope that the funds allotted to the ICCR, publicity and passport organisations are commensurate to level of activities expected from them and that their performance would not suffer due to lack of funds. The Committee further hope that Ministry of External Affairs would keep the above observation in view while framing the forthcoming Budgets.</p>

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3.	16	External Affairs	<p>The Committee find that the arrears of higher rent have not been paid so far by the Ministry of External Affairs as the repairs of Akbar Bhawan are yet to be completed. As the provisions made during last year in this regard could not be utilised, the same have again been made this year in the Budget Estimates. The Committee regret to observe the delay in getting the Akbar Bhawan repaired although discussions with the NDMC have been continuing since March '1994 when the Administrator NDMC met Ministry officials. What has surprised the Committee is the fact that the issue has not been sorted out so far despite the matter having been discussed at length last year during the examination of Demands for Grants and commented upon by the Committee in their 6th Report. The Committee are apprehensive that the condition of the building might deteriorate if necessary repairs are not carried out immediately. The Committee desire that the matter may be taken up with the Ministry of Urban Development at higher level so as to get the building repaired immediately. The Committee also desire that an agreement should be reached between MEA and NDMC to ensure timely and regular repairs/maintenance of Akbar Bhawan premises and in no case repairs should be allowed to be left unattended for considerable period of time. The Ministry may examine the feasibility of purchasing Akbar Bhawan from NDMC. Repairs/maintenance of buildings occupied by the Ministry on rent or otherwise should be a continuous process. The Ministry should also develop suitable supervisory mechanism to monitor general maintenance and repairs of their buildings.</p>

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4.	22	External Affairs	<p>The RE 1995-96 in respect of Embasseis and Missions exceeded BE 1995-96 by nearly Rs. 72 crores. Out of this, Rs. 36 crores accounted for the increase in foreign allowances in Missions as well as pay and allowances of local staff as a result of recommendation of Foreign Service Inspectors. The Committee are of the view that as it would have taken considerable time to process these recommendations, the enhanced requirement of fund for increase in foreign allowance etc. could have been anticipated at the 1995-96 BE level. The Committee would like to be informed about usual procedure followed for increase of allowances of the staff to the Foreign Missions and how often these allowances are reviewed and revised. However, now since the salary and allowance of India based and local staff in overseas Missions have been enhanced, the staff should feel motivated to deliver the goods in terms of increased output with better efficiency. The Ministry ought to ensure that the staff in the Mission come upto the expectation in this regard.</p>
5.	26	External Affairs	<p>The Committee are constrained to point out that inspection of 12 Missions during 1995-96 by the Foreign Service Inspectors reveal certain shortcomings in their working which were also noticed during the inspection of some missions in 1994-95. The Committee are informed that shortcomings noticed are of procedural nature. Obviously effective steps do not seem to have been taken to ensure that shortcoming notices in one Mission do not get repeated in other. The</p>

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			<p>Committee take a serious view of the failure on the part of the Ministry to take the corrective action. The Committee expect the Ministry to issue the necessary directions and guidelines immediately so that these mistakes do not recur. They would also like the Ministry to periodically monitor the compliance of the instructions issued in this regard.</p>
6.	27	External Affairs	<p>The Committee note with satisfaction that steps are being taken by the Ministry to improve the functioning of the Missions by using modern office equipment and communication system. They hope that constraint of funds will not be allowed to hamper the progress being made in this regard. The Committee hope that the installation of modern equipment would help Missions in better discharge of their functions.</p>
7.	28	—do—	<p>It is pertinent to note that in reply to a recommendation made in their 6th report on Demands for Grants for the year 1995-96 the Ministry have informed the Committee that a comprehensive exercise to review the manpower requirements of the economic and commercial wings of our Missions/Posts abroad is currently</p>

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			<p>underway in consultation with the Ministry of Commerce. Proposals concerning as many as 38 Missions/Posts are under active consideration and further suitable action would be taken in this regard. The Committee would like to be informed of the progress made in this direction. The Committee expect that with the strengthening of the economic and commercial wings it would be feasible for Missions to attract sizeable foreign investment from the overseas investors. For achieving this it is necessary to boost the commercial publicity, remove whatever constraints being experienced by the foreign investors, organise seminars and conferences especially in countries abroad with the cooperation of FICCI and CII and overcome administrative bottlenecks in coordination with other concerned Ministries.</p>
8.	32	External Affairs	<p>The Committee have been given to understand that constant assessment by the Ministry of their publicity activities reveals that they cannot use more funds effectively at the Headquarters level whereas it is possible to use more funds fruitfully at the Missions level. Yet, there is no perceptible increase of funds for advertising and publicity for Missions/Posts (Rs. 11.73 crores) as compared to that for headquarters (Rs. 11 crores) in the BE 1996-97. Some steps are stated to have been initiated to expand, interpret and project India's Foreign Policy objectives. However, still much more needs to be done to project a favourable perception of India and build up a greater awareness of and an</p>

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			<p>understanding for its values and policies, and also to counter adverse propaganda being carried out by one of our immediate neighbours. For this, acquisition and use of most modern equipment, upgradation of communication system, stepping up of our lobbying efforts, production of more effective publicity material and distribution thereof by Missions/Post to NRIs, NGOs, opinion makers and decision-takers are essential and efforts being made in this direction need to be augmented. The Committee also feel that closer and more purposeful interaction by our Foreign Missions with NRIs in this regard would go a long way to achieve the objectives. Needless to say that these measures require sufficient funds, especially for Missions, and Ministry ought to strive to achieve the same.</p> <p>The Committee agree with the Ministry that it would be more practical and feasible to begin by allotting additional funds to selected Missions and to expand this effort subsequently in respect of more Missions. The Committee find that some of the Missions have submitted proposal for stepping up their public relations, advertising and other publicity activities. The Committee would like the Ministry to scrutinise such proposals with a view to providing the requisite funds and study the impact made by them in due course.</p>
10.	41	External Affairs	<p>The Committee note that the total pendency in Passport Offices which was 2.8 lakh at the end of 1994 has increased to 2.94 lakhs at the end of 30th June, 1996.</p>

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11.	42	External Affairs	<p>However the number of Passports issued during 1995 has decreased to 17.55 lakhs as compared to 20.11 lakhs passports issued in 1994. Thus, as compared to 1994 figures less number of passports were issued while more applications have been pending during 1995. The Ministry have advanced various reasons due to which it is difficult to reduce the pendency further. The Committee however do not agree with the explanation given by the Ministry. They are of the view that the maximum time limit for issue of a passport as per the Ministry is 4 weeks and therefore the pendency at a time in the Passport Office should not increase the total average applications received in 4 weeks time. To achieve this, the Passport Organisation ought to have close coordination with Ministry of Home Affairs for getting early verification reports, simpler passport application forms so as to reduce the number of incomplete applications and accountability of the passport officers in the Passport Offices.</p> <p>From time to time suggestions have come to the Committee for opening of more passport offices in the country especially in the North Eastern Sector. The Committee desire that till the work relating to opening/relocation of passport offices based on the re-assessed demands is completed as recommended by the Committee in their 3rd and 7th Reports, the Ministry should ensure that all State Capitals have either a passport office or a sub-passport office or collection centre for the benefit of the applicants. In this connection the</p>

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			representative of the Ministry assured that collection centres can be opened in North Eastern Region in the State Capitals. The Committee desire that expeditious action may be taken in this regard under intimation to them.
12.	43	External Affairs	The Committee find that Revenue to the tune of Rs. 71.75 crore was earned by the Passport Offices during 1995 whereas the expenditure incurred amounted to Rs. 47.46 crores. Although the Revenue earned by the Passport Office go directly to the Consolidated Fund of India, the Ministry ought to ensure larger allocation for passport and emigration service taking into consideration the amount of Revenue being earned by the Passport Offices so as to utilise the same for augmenting and improving the passport facilities i.e. by opening new offices, improvement in customer amenities, better facilities to the staff etc.
13.	44	-do-	The Committee have been given to understand that the Cadre Review of the Central Passport Organisation has been carried out which is being considered by the Ministry of Finance. This is stated to be the first ever cadre review of the Organisation and it aims at rationalising the cadre structure to motivate the staff into maximising the out-put by providing them better opportunities for career advancement and having a more streamlined administrative structure. The Committee hope that a decision regarding this Cadre Review will be taken early so that the dis-satisfaction prevailing in the staff particularly at lower level would be removed.

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14.	45	External Affairs	<p>The Committee expect that with the computerisation of Passport Offices, more funds to the organisation for augmenting their facilities, increased incentives to the staff like the promotion prospects etc. it should be possible to increase efficiency of Passport Office in such a way that passports are delivered to the applicants positively within 4 weeks. Also, there should be no harassment to the applicants at the passport office and their grievances, if any, including that of miscellaneous services should be promptly addressed to. It is also necessary that the mechanism of surprise inspections at the passport offices is strengthened and prompt punitive action is taken in cases of negligence of duty leading to delay, harassment and corruption.</p>
15.	51	-do-	<p>The Committee have been impressing upon Ministry of External Affairs the need for stepping up the allocation for ICCR so that the Council is better equipped to improve its functioning with a view to projecting India in its true perspective abroad. In this connection it is pertinent to note that the increase in the allocation to the ICCR in RE 1995-96 as well as BE 1996-97 is principally on account of increase in grant-in-aid by Rs. 5 crores to cater to enhanced tuition fees and house rent to Scholars. That means that the marginal increase that has been made is not for enhanced activities of ICCR. In it's 9th Report the Committee had urged upon the ICCR to act as one of India's premier institutions for fostering cultural exchanges and mutual understanding with the countries of the world. Need was also emphasised to project the image of India's rich and varied culture not only to better the environment of relationship between</p>

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			<p>India and various countries but also to defeat concerted attempts by unfriendly quarters at image distortion. In the light of such suggestions, the Committee hardly need to re-emphasise the significance attached to various activities of ICCR. For better projection of India's image it is also necessary that a fair, attractive and equitable scheme about remuneration for artists at various levels and of different categories is imaginatively devised so as to avoid needless discontent and the ICCR should in spirit recognise that they are indeed the cultural representatives of India and project the best of the Indian art and culture to foreign audiences. The Committee, therefore, desire that the allocation to ICCR should be stepped up considerably so that it is in a position to achieve its desired objectives. Till that is done the ICCR should endeavour to make optimum use of the allocation in upgrading the quality of facilities, in order to fostering better understanding and strengthening our cultural relations with other countries.</p>
16.	57	External Affairs	<p>The Committee note the grants-in-aid for technical and economic cooperation with other countries have increased rather steeply from Rs. 129.72 crores in 1994-95 to Rs. 293.42 crores at BE 1996-97 level. The Committee would like to be appraised of the criteria adopted in distributing the total amount under the Aid programme to different countries of Asia, Africa, neighbouring countries etc. Since substantial amount is being spent as aid programme on the various India aided projects in countries like Bangladesh, Bhutan, Nepal, Sri Lanka, Maldives, Cambodia, Myanmar etc., it would be necessary if an evaluation is made as to the impact it is creating in</p>

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			<p>strengthening mutual bilateral relations with these countries. It would also be pertinent to study the positions taken by these countries on important issues of common interest at various international forums <i>vis-a-vis</i> stands taken by India. The Committee would like to be informed of the results of such a study. The Committee are of the view that selection of projects should have sharp focus on the impact it would have on the strengthening of the bilateral relations with these countries.</p>
17.	58	External Affairs	<p>The Committee are constrained to point out that there was increase of Rs. 69 crores under the Aid programmes at RE 1995-96 level over BE 1995-96 level which amounts to nearly 37 percent. The extent of this increase indicate that these projects are not adequately pre-planned and taken up on ad-hoc considerations. In the absence of proper and prior planning it is obvious that only token amount is released at BE stage and then there is sudden rush for increase at RE stage. The Committee feel that there ought to be horizontal as well as vertical coordination within the government itself as to what has to be done in a particular country and which project is to be taken up. The Committee feel that all the projects to be carried out in aided countries should be well planned and should be completed under a time bound programme to avoid time and cost escalation. Proper monitoring is necessary for overseeing the execution of these projects. The Committee hope that these facts would be given due consideration while undertaking and executing such projects in aided countries.</p>
18.	65	External Affairs	<p>The Committee note that the Department of Expenditure have agreed to increase</p>

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			<p>capital outlay Budget of the Ministry from 57 crores under BE 1996-97 to Rs. 100 crores at the RE stage. This will enable the Ministry to begin the 10 year comprehensive Plan drawn up by them for purchase/construction of properties. The Committee also note that the Ministry have estimated the demand for funds for the next 4 years in this regard to the tune of Rs. 1050 crores. The Ministry is stated to have identified the priorities for purchase and construction of our own properties abroad. The Committee do hope that the funds asked for by the Ministry would be provided for by the Ministry of Finance in the next few years so that the comprehensive plan drawn up by the Ministry is completed according to a time bound programme. The Committee also feel that priorities laid down by the Ministry in this regard would be strictly followed and available funds utilised judiciously as planned.</p>
19.	72	External Affairs	<p>In the difficult situation arising because of the unseemly haste of the nuclear powers to get the CTBT passed in its present form, completely ignoring the concerns and view point of India, there was no alternative left for India but to veto the CTBT. The recent action taken by India at Geneva reflects the national consensus on the issue. The Committee desire that India must continue to adhere to its principled and articulated stand on CTBT without being swayed by any international pressure and every effort should be made to counter the misinformation/disinformation being spread about our stand on nuclear disarmament. To achieve this, the Committee desire that the Ministry must make all efforts to explain our view point within the country and abroad.</p>